



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460**

OFFICE OF ADMINISTRATION
AND RESOURCES MANAGEMENT

SUBJECT: Request for Immediate Suspension of:

NANCY PEELER

EPA Case No. 16-0841-03A

FROM: Jamie Lemley, Debarment Counsel
Suspension and Debarment Division (3902R)

TO: Duc H. Nguyen, Suspension and Debarment Official
Office of Grants and Debarment (3901R)

DATE: January 3, 2017

The following facts have come to my attention and are offered in support of this request for the suspension of NANCY PEELER ("PEELER"). The Federal Acquisition Regulation ("FAR") provides for the suspension and debarment of contractors at 48 C.F.R. Subpart 9.4. The FAR further notes that § 2455 of Public Law 103-355 and Executive Order 12689 provide for the reciprocal effect of a debarment action taken under the Nonprocurement Common Rule. Therefore, the U.S. Environmental Protection Agency ("EPA") Suspension and Debarment Division ("SDD") recommends that this action be taken pursuant to 2 C.F.R. § 180 as implemented by 2 C.F.R. § 1532, EPA's nonprocurement debarment regulation.

I. INTRODUCTION

1. The EPA SDD respectfully requests that you suspend PEELER. This recommendation is based on information that PEELER was charged with one count of Misconduct in Office, MCL 750.505, one count of Conspiracy - Misconduct in Office, MCL 750.157a, and one count of Willful Neglect of Duty, MCL 750.478. *See* Exhibit 1 – Complaint for *Michigan v. Peeler*, Michigan State Court for the 67th Judicial District, 7th Judicial Circuit.

II. RESPONDENT

2. PEELER, at all relevant times, was the Director of the Michigan Department of Health and Human Services ("MDHHS") Program for Maternal, Infant, and Early Childhood Home Visiting. Exhibit 2 – Michigan Attorney General Press Release, July 29, 2016 at 3.

III. FACTUAL NARRATIVE

3. On July 29, 2016, a complaint was filed in Michigan State Court in which PEELER was charged with one count of Misconduct in Office, MCL 750.505; one count of Conspiracy - Misconduct in Office, MCL 750.157a; and one count of Willful Neglect of Duty, MCL 750.478. The complaint is attached at Exhibit 1 and incorporated by reference herein. *See* Exhibit 1 – Complaint for *Michigan v. Peeler*, Michigan State Court for the 67th Judicial District, 7th Judicial Circuit; *see also* Exhibit 2 – Michigan Attorney General Press Release, July 29, 2016.

IV. STATEMENT OF AUTHORITIES

4. Each count charged in PEELER’s complaint provides adequate evidence to suspect she committed an offense(s) listed under 2 C.F.R. § 180.800(a)(4). As such, there is sufficient cause for her suspension pursuant to 2 C.F.R. §§ 180.700(a) and (c). *See* Exhibit 1 – Complaint for *Michigan v. Peeler*, Michigan State Court for the 67th Judicial District, 7th Judicial Circuit.

5. Additionally, the information contained in PEELER’s complaint provides adequate evidence to suspect she engaged in improper conduct—misconduct in office, conspiracy, and willful neglect of duty—of so serious or compelling a nature as to affect her present responsibility. As such there is sufficient cause, and a separate independent basis, for her suspension pursuant to 2 C.F.R. §§ 180.700(b) and (c). *See* Exhibit 1 – Complaint for *Michigan v. Peeler*, Michigan State Court for the 67th Judicial District, 7th Judicial Circuit.

V. IMPACT ANALYSIS – IMMEDIATE NEED

6. The EPA routinely awards grants to the Michigan Department of Community Health.¹ From 2008 through 2016, the U.S. EPA awarded \$7,443,936 in grant funds to the Michigan Department of Community Health. *See* Exhibit 4 – USAspending.gov – Search Results for “Michigan Department of Community Health,” Awarding Agency: Environmental Protection Agency.

7. As a result of PEELER’s experience at MDHHS, she has been, is, or may reasonably be expected to be a “participant” or “principal” in a covered transaction within the meaning of 2 C.F.R. Part 180, Subpart B, 2 C.F.R. Part 1532, Subpart B, and 2 C.F.R. §§ 180.980, 180.995, and 1532.995.

8. Given the nature of the circumstances giving rise to the cause for PEELER’s suspension and the potential for a business relationship or involvement with a program of the Federal Government, including any influence she may have over funds provided by the Federal Government, immediate action is necessary to protect the public interest pursuant to 2 C.F.R. § 180.700(c).

¹ MDHHS is a combination of the Michigan Department of Community Health and the Michigan Department of Human Services, which was created by an executive order issued by the governor of Michigan in 2015. *See* Exhibit 3 – Executive Order No. 2015 - 4, Creation of the Department of Health and Human Services, February 6, 2015.

VI. RECOMMENDATION

9. Based on the information and the authorities contained herein, SDD respectfully recommends the immediate suspension of PEELER pending the completion of her legal proceedings.

VII. ADMINISTRATIVE COORDINATION

10. This case was investigated by the State of Michigan's Attorney General.

11. EPA has submitted relevant information on this matter to the Interagency Suspension and Debarment Committee and has been designated as Lead Agency pursuant to its process.

EXHIBITS

1. Complaint for *Michigan v. Peeler*, Michigan State Court for the 67th Judicial District, 7th Judicial Circuit.
2. Michigan Attorney General Press Release, July 29, 2016.
3. Executive Order – No. 2015 – 4, Creation of the Department of Health and Human Services, February 6, 2015.
4. USAspending.gov – Search Results for “Michigan Department of Community Health,” Awarding Agency: Environmental Protection Agency.